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Attorneys for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE
COMPANY,

USA CAPITAL REALTY ADVISORS,
LLC,

USA CAPITAL DIVERSIFIED TRUST
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED
FUND, LLC,

USA SECURITIES, LLC, Debtors.

Affects:

- ☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC
☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR¹
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR²
Case No. BK-S-06-10729-LBR³

CHAPTER 11

Jointly Administered Under Case No.
BK-S-06-10725 LBR

**DECLARATION OF GEOFFREY L.
BERMAN IN SUPPORT OF
STIPULATED MOTION FOR
APPROVAL OF COMPROMISE
SETTLEMENT OF CLAIMS AND
DIRECTING PAYMENT OF
PRIORITY CLAIM FILED BY
LARRY L. AND PATSY R. RIEGER
REVOCABLE TRUST**

Hearing Date: December 16, 2010

Hearing Time: 9:30 a.m.

Estimated Time for Hearing: 10 minutes

Geoffrey L. Berman declares under penalty of perjury:

1. I am an adult person competent to testify in court.

2. I make this declaration based upon my personal knowledge, and upon the
records of USA Commercial Mortgage Company.

3. I am the Trustee of the USACM Liquidating Trust ("USACM Trust"), which
is an entity created by the Debtors' Third Amended Joint Chapter 11 Plan of

¹ This bankruptcy case was closed on September 23, 2008.

² This bankruptcy case was closed on October 12, 2007.

³ This bankruptcy case was closed on December 21, 2007.

1 Reorganization (“Plan”), in the jointly-administered bankruptcy cases, In re USA
2 Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States
3 Bankruptcy Court for the District of Nevada.

4 4. Pursuant to the ADR mechanism established under the Debtors’ confirmed
5 Plan, I and the Trust’s attorney Robert M. Charles, Jr. met with the Riegers on September
6 30, 2010 (without the assistance of a mediator), to review their claims in detail and attempt
7 to negotiate a settlement of their claims. In addition to the substantial documentation the
8 Riegers included with their proof of claim, the Riegers supplied additional documentation
9 to support their claims at the September 30 meeting.

10 5. I considered the Riegers’ proofs of claim, the documents supplied by the
11 Riegers to support their claims and the dialog between the parties during and immediately
12 following the September 30, 2010 meeting with the Riegers about their claims. I believe
13 that a significant portion of the Riegers’ claims are valid and that other portions of the
14 claims have arguable merit. Therefore, I believe that a not insubstantial portion of the
15 Riegers’ claims would be allowed were the Trust to continue to dispute the Riegers’
16 claims and bring the dispute before the Court. Thus, disputing the remainder of the
17 Riegers’ claims would require the Trust to undertake fact intensive litigation in relation to
18 several different loans. I believe that the attorneys’ fees and expenses the Trust would
19 incur to challenge the Riegers’ claims in such litigation would likely exceed the monetary
20 value to the Trust beneficiaries ultimately derived from challenging the Riegers’ claims.

21 I declare under penalty of perjury that the foregoing is true and correct.

22 Dated: November 16, 2010

23
24 /s/Geoffrey L. Berman

25 Geoffrey L. Berman
26

Copy of the foregoing served via e-mail if an e-mail address
Was available, or by First Class Postage prepaid U.S. Mail
To all parties in interest listed on the Post Effective Date Official
Service List on file with the Court on 11/16/10.

s/ Marilyn Schoenike
Marilyn Schoenike
Lewis and Roca LLP